

---

**CASA JEFFERSON, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2013**

---



A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

**CASA JEFFERSON, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2013**

## C O N T E N T S

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1 - 2
<u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
<u>NOTES TO FINANCIAL STATEMENTS</u>	7 - 11
<u>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</u>	12 - 13

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
CASA Jefferson, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of CASA Jefferson, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses and cash flows for the period from March 26, 2012 (inception) through June 30, 2013, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa Jefferson, Inc. as of June 30, 2013 the changes in its net assets and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance.

*Postlethwaite + Notterville*

Metairie, Louisiana  
December 10, 2013

CASA JEFFERSON, INC.  
GRETN, LOUISIANA  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013

ASSETS

Current assets:		
Cash and cash equivalents	\$	174,905
Accounts receivable		703
Grants receivable		45,305
Prepaid expenses		<u>3,037</u>
Total current assets		<u>223,950</u>
Deposits		<u>7,000</u>
Total assets	\$	<u><u>230,950</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$	890
Accrued payroll liabilities		<u>3,205</u>
Total current liabilities		<u>4,095</u>
Net assets:		
Unrestricted		99,801
Temporarily restricted (note 2)		<u>127,054</u>
Total net assets		<u>226,855</u>
Total liabilities and net assets	\$	<u><u>230,950</u></u>

The accompanying notes are an integral part of this financial statement.

**CASA JEFFERSON, INC.**  
**GRETN, LOUISIANA**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FROM INCEPTION THROUGH JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>REVENUES AND SUPPORT</u></b>			
Grants	\$ 4,000	\$ 498,827	\$ 502,827
Contributions	52,868	16,895	69,763
Special events (net of direct costs of \$49,205)	44,656	-	44,656
Other income	702	-	702
Net assets released from restrictions (note 2)	388,668	(388,668)	-
Total revenues and other support	<u>490,894</u>	<u>127,054</u>	<u>617,948</u>
<b><u>EXPENSES</u></b>			
Programs	329,250	-	329,250
Fundraising	20,110	-	20,110
Management and general	41,733	-	41,733
Total expenses	<u>391,093</u>	<u>-</u>	<u>391,093</u>
Change in net assets	99,801	127,054	226,855
<b><u>NET ASSETS AT INCEPTION</u></b>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET ASSETS AT END OF THE YEAR</u></b>	<u>\$ 99,801</u>	<u>\$ 127,054</u>	<u>\$ 226,855</u>

The accompanying notes are an integral part of this financial statement.



**CASA JEFFERSON, INC.**  
**GRETN, LOUISIANA**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FROM INCEPTION THROUGH JUNE 30, 2013**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
Salaries	\$ 181,996	\$ 6,500	\$ 24,125	\$ 212,621
Rent	31,500	-	3,500	35,000
Employee benefits	22,932	1,131	1,626	25,689
Payroll taxes	21,873	-	4,845	26,718
Utilities	10,800	-	1,200	12,000
Telephone	8,596	-	955	9,551
Printing	8,406	-	-	8,406
Miscellaneous	6,788	-	771	7,559
Travel	6,038	-	100	6,138
Professional services	5,918	-	90	6,008
Training	5,665	-	-	5,665
Postage and shipping	5,118	-	-	5,118
Supplies	3,847	-	-	3,847
Information technology	2,897	321	-	3,218
Security system	2,831	-	314	3,145
Volunteer recognition	2,180	-	-	2,180
Insurance	1,351	-	4,207	5,558
Children's projects	488	-	-	488
Office furnishing	26	-	-	26
Public relations	-	12,158	-	12,158
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 329,250	\$ 20,110	\$ 41,733	\$ 391,093
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this financial statement.



**CASA JEFFERSON, INC.**  
**GRETN, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**FROM INCEPTION THROUGH JUNE 30, 2013**

**OPERATING ACTIVITIES**

Change in net assets	\$ 226,855
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in accounts receivable	(703)
Increase in grants receivable	(45,305)
Increase in prepaid expenses	(3,037)
Increase in deposits	(7,000)
Increase in accounts payable	890
Increase in accrued payroll liabilities	3,205
Net cash provided by operating activities	<u>174,905</u>
Net increase in cash	174,905
Cash and cash equivalents at inception	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ 174,905</u></u>

The accompanying notes are an integral part of this financial statement.

## CASA JEFFERSON, INC.

### NOTES TO FINANCIAL STATEMENTS

#### 1. Summary of Significant Accounting Policies

##### Organization

The CASA Jefferson, Inc. (the Organization) is a 501 (c) (3) non-profit corporation incorporated on March 26, 2012 under the laws of the State of Louisiana. The Organization's mission is to assign a trained capable volunteer from the community to advocate for the best interest of every abused and neglected child in the Jefferson Parish Juvenile Court System.

The Darkness to Light's Stewards of Children Training is the only nationally available program scientifically proven to increase knowledge, improve attitudes and change child-protective behaviors.

##### Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

##### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### Classification of Net Assets

Financial Accounting Standards Board Codification No. 958 entitled "Not-For-Profit Entities" requires that net assets and changes in net assets be reported for three classifications—permanently restricted, temporarily restricted and unrestricted—based on the existence or absence of donor imposed restrictions of the assets to a particular purpose. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations. The Organization has no permanently restricted net assets.

## CASA JEFFERSON, INC.

### NOTES TO FINANCIAL STATEMENTS

#### **1. Summary of Significant Accounting Policies (continued)**

##### Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. At June 30, 2013 all funds were covered by FDIC insurance.

##### Grant Revenue

Revenues from federal and state grants are recorded when the Organization has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the Organization, or when otherwise earned under the terms of the grants.

##### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2013 management has determined that no allowance is required for uncollectible receivables.

##### Contributed Services

Members of the Organization's board of directors and other volunteers have made significant contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it is not susceptible to objective measurement or valuation.

## CASA JEFFERSON, INC.

### NOTES TO FINANCIAL STATEMENTS

#### 2. Restricted Assets

At June 30, 2013, CASA Jefferson, Inc. has no permanently restricted assets. The Organization has the following temporarily restricted assets as of June 30, 2013:

Greater New Orleans Foundation	\$	15,000
Jefferson Parish Juvenile Court		13,308
Jefferson Parish Juvenile Court - CASA		80,168
Friends of CASA - JPJC		9,669
LA CASA - JPJC		1,000
Holiday Toy Drive		6,895
School Supply Drive		1,014
	\$	<u>127,054</u>

Net assets released from restrictions during the nine month period ended June 30, 2013, by incurring expenses satisfying the restricted purposes or by expiration of time restrictions totaled \$388,668.

#### 3. Grants Receivable

Grants receivable reflected on the statements of financial position at June 30, 2013 include \$35,127 due from Temporary Assistance for Needy Families (TANF) and \$10,178 due from Crime Victims Assistance (CVA).

#### 4. Special Events

Light of Hope Gala is the Organization's most significant fundraising gala. During the period ended June 30, 2013, the gala was held on April 5, 2013. The funds raised at the event are for the purpose of enabling the Organization to provide advocates for children in the community.

## CASA JEFFERSON, INC.

### NOTES TO FINANCIAL STATEMENTS

#### 5. Income Taxes

CASA Jefferson, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, CASA Jefferson, Inc. may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of CASA Jefferson, Inc. and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities at June 30, 2013.

CASA Jefferson Inc.'s tax return for the initial period ended December 31, 2012 remains open and subject to examination by taxing authorities. CASA Jefferson, Inc.'s tax returns for the year ended June 30, 2013 has not been filed and is on valid extension.

#### 6. Operating Lease

CASA Jefferson, Inc. executed a lease for rental space commencing on December 1, 2012 which expires on December 31, 2013. Future minimum lease payments required under the operating lease are \$30,000 for the six months ending December 31, 2013. Lease expense during the period ended June 30, 2013 is \$35,000.

**CASA JEFFERSON, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**7. Contingencies**

**Grant Programs**

The Organization participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2013 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

**Significant Grants**

For the period ended June 30, 2013, \$256,769 of the Organization's governmental financial assistance was from TANF (CFDA No. 93.558) and \$225,558 of the Organization's governmental financial assistance was from grants provided by the Jefferson Parish Juvenile Court System. Management believes that the Organization is in compliance with the provisions of these grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

**8. Subsequent Events**

Management of the Organization has evaluated subsequent events through the date the financial statements were available to be issued, December 10, 2013, and determined no items required disclosure.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

Board of Directors  
CASA Jefferson, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Legacy Donor Organization (the Organization), which comprise the statements of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CASA Jefferson, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CASA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether CASA Jefferson, Inc.'s financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CASA Jefferson, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CASA Jefferson, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite + Nettenville*

Metairie, Louisiana  
December 10, 2013